



Department of Energy

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MEMORANDUM FOR: HEADS OF DEPARTMENTAL ELEMENTS

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SUBJECT: INTERIM GUIDANCE FOR REFERRAL BONUS
AWARDS FOR RECRUITMENT AND HIRING

This is to announce the establishment of a referral bonus award and to provide interim guidance for its use. The award is used to provide an incentive to employees who bring new talent into a Departmental element by referring persons who are subsequently selected and successfully employed for hard-to-fill positions. Referral bonus awards are to be granted in accordance with DOE O 331.1B, Employee Performance Management System, at the discretion of management and are not an entitlement. The award will be incorporated in DOE O 331.1B as part of the next update process.

Eligibility

All employees who meet the definition of "employee" in 5 U.S.C. 2105 may be eligible for referral bonus awards, except:

- 1) employees whose regular, recurring jobs include the recruitment of employees;
- 2) employees who are related to the referred person, which pursuant to 5 U.S.C. 3101, means:

a father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister; and any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship
- 3) employees who have a relationship with the referred person as described in 5 CFR 2635.502 or 18 U.S.C. 208, including:



- a) a person with whom the employee has or seeks a business, contractual relationship or other financial relationship that involves other than a routine consumer transaction;
 - b) a person who is a member of the employee's household;
 - c) a person who is a relative with whom the employee has a close personal relationship (please note that the term "relative" in this requirement is broader than the relationships listed in (2);
 - d) a person for whom the employee's spouse, parent or dependent child is, to the employee's knowledge, serving or seeking to serve as an officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee; or
 - e) any person for whom the employee is serving as, or has within the last year served as, an officer, director, trustee, general partner, agent, attorney, consultant, contractor, or employee;
- 4) all Senior Executive Service (SES) members and employees who are excluded from the receipt of incentive or time off awards in accordance with 5 CFR 451.105, (Political Appointees including Schedule C);
 - 5) management officials in the supervisory chain of command of the position being filled; and
 - 6) other persons associated with or involved in the recruitment, rating, or selection of the candidate.

Award Restrictions

Referral bonus awards shall only be granted by the designated management official of the Departmental element who has encountered difficulty in recruiting high quality candidates. The following factors should be considered in determining hard to fill positions:

- 1) the lack of success of recent efforts to recruit candidates and retain employees in like positions;
- 2) the availability in the labor market of highly qualified candidates;
- 3) the recent turnover in similar positions;
- 4) the special qualifications needed for the position; and
- 5) other unique factors that demonstrates difficulty in filling the position.

Award Amount

The maximum amount for any referral bonus award shall be either up to \$500 or 16 hours of time off. When setting an award amount, organizations should consider such things as:

- 1) the percentage of costs saved by avoiding certain recruiting expenses;
- 2) the difficulty of filling the position;
- 3) whether the position recruited is on a local or Departmental list of shortage category occupations; and
- 4) consistency of award amounts for similar referral circumstances.

Conditions for Payment

Referral bonus awards shall be paid in one lump sum payment and may not be paid to the employee until the person referred has served one year with the agency and their performance has been deemed successful.

Departmental elements must limit the number of awards per year, per employee, not to exceed two (2) awards per year.

Processing Procedures

The referring employee must submit a "Candidate Referral Form" (see the attached sample form) to the servicing human resources office prior to the issuance of a competitive selection certificate, or prior to management's noncompetitive selection of the referred candidate. In cases of noncompetitive selections, referral forms must be completed prior to appointment. If a referred employee is selected, HR should forward the form to the selecting official for completion. It is suggested that the form be forwarded with the applicable selection certificate.

Monetary awards will be processed as cash awards using the nature of action code 848.

Time-off awards will be processed using the nature of action code 846. The remarks section of the SF-50 must clearly state "Referral Bonus Award" for additional tracking purposes.

Recordkeeping

Servicing human resources offices are responsible for establishing Referral Bonus Awards files.

Servicing human resources offices are responsible for maintaining the referral forms and justifications for program review and reporting purposes in the Referral Bonus Awards File. Servicing human resources offices are responsible for maintaining the Referral Bonus Awards Files for a period of 2 years. The Office of Personnel Management may

periodically review DOE records to ensure consistency with rules, regulations, policies and procedures.

Program Monitoring and Reporting

Servicing human resources offices are responsible for monitoring and assessing the usage and type of referral bonus, as well as reporting the usage of these incentives to the Office of Human Capital Management upon request.

The Office of Human Capital Management may conduct periodic reviews and evaluations of the use of referral bonus awards to ensure the basis and award amounts are consistent with the criteria established in this interim guidance, and may report usage to the Office of Personnel Management and/or Office of Management and Budget, if appropriate.

If you have any questions concerning a Referral Bonus Award, please contact Lorrenda Buckner, Office of Strategic Planning and Vision, Lorrenda.Buckner@hq.doe.gov or you may call her on (202) 586-8451.

Attachment: Sample Candidate Referral Form